

CHAPTER 6

STORAGE

6000. Storage-in-Transit (SIT) .

a. General. The PPSO may use SIT when necessary to meet the member's requirements. Although SIT normally is used at destination when a shipment arrives before the member has established a delivery address, it also may be used at origin or at an intermediate point when considered by the PPSO to be in the best interest of both the member and the Government. The carrier should use the carrier's DOD approved agent facility located nearest the destination city or installation shown in block 18 of the PPGBL. Should the carrier use a more distant facility for convenience, SIT and related charges will be based on the carrier's agent nearest available DOD approved facility. However, this should not be construed to mean that a carrier without an agent in the destination PPSO's area of responsibility (AOR) can place a shipment into a DOD-approved SIT facility outside the destination PPSO's AOR except when specifically authorized by the destination PPSO. Nearest available carrier's agent DOD approved storage facility is defined as follows: that carrier's agent facility which has DOD approval, has space for the shipment and is accepting DOD traffic from the carrier. If the agent refuses to accept a shipment, i.e., because of the carrier's refusal to provide a waiver and/or to the carrier's poor payment history, the agent's facility will be considered "available" for purpose of determining charges irrespective of what destination warehouse the carrier uses. NTS at origin may not be converted to SIT at origin unless a PPGBL is issued, an inventory is prepared, and a carrier takes physical possession of the property.

b. SIT Period.

* (1) SIT for DOD civilians employees will not exceed 90 days, (Joint Travel Regulations (JTR) , Volume 2) .

* (2) SIT for military members may not exceed 90 days unless additional storage is authorized in accordance with" the Joint Federal Travel Regulations, (JFTR) , volume 1.

*(3) SIT for military members may be extended beyond the 90-day period when an entitlement for additional storage exists and is approved by the appropriate authority.

(4) When SIT is extended beyond the first 90 days, the PPSO shall notify the carrier of the extension and the projected termination date. A copy of DD Form 1857, Temporary Commercial Storage at Government Expense (Figure 1-7) , will be provided to the carrier for each extended 90 day period. When a shipment remains in storage beyond the SIT entitlement period, carrier liability shall terminate at midnight of the last day of the SIT period, the Government Bill of Lading character of the shipment shall cease and the

warehouse shall become the final destination of the shipment. At this time, the warehouseman shall become the agent for the property owner and the shipment becomes the subject to the rules, regulations, charges and liability of the warehouseman. Members should be advised of the requirement to procure their insurance during this period of storage.

c. Prevention of Unnecessary SIT. The PPSO shall make every effort to - prevent unnecessary use of SIT by maintaining a close liaison with installation personnel assignment officers and housing officers. Coordination between the origin and destination PPSOs may be helpful in preventing unnecessary use of SIT. The destination PPSO shall establish a file for inbound personnel, including all advance documentation received from the origin PPSO and information concerning the member, such as telephone numbers on and off base, the member's temporary address, and the name and telephone number of a local contact if the member cannot be located when the shipment arrives.

d. Procedures at Destination. When the carrier notifies the destination PPSO of a shipment's arrival, the PPSO shall attempt to contact the member or the member's agent at the designated point of contact. If the member has not reported to the destination PPSO or the PPSO is unable to contact the member or the member's agent, the PPSO shall instruct the carrier to place the shipment in SIT. In these cases, the PPSO may not direct the carrier to attempt delivery at the member's residence.

e. Record of Authorized SIT. The PPSO shall maintain a separate control log for recording all SIT authorizations. The log shall contain as a minimum, the following information: SIT control number, member's name, code of service, storage location, and the dates ordered into and out of SIT. It is not necessary to maintain a separate ledger specifically for SIT authorization, provided control of SIT is maintained and there is no duplication of SIT control numbers. The log form should be reproduced locally. A copy of DD Form 619 authorizing the SIT will be retained in the shipment file.

f. SIT for Split Shipments. If a shipment arrives at destination as a split shipment and the member is unavailable to receive any portion, SIT may be authorized separately on each portion. The PPSO shall issue a separate SIT control number for each portion of the split shipment. The carrier shall be required to obtain a separate weight ticket and separate SIT control number for each portion of the split shipment. The cost of weighing each portion shall be borne by the carrier. The Government will not pay the minimum weight as applicable to storage.

g. SIT Control Number. Upon ordering a shipment into SIT, the PPSO shall furnish the carrier a SIT control number. The SIT control number, which will contain seven positions, shall be constructed as follows:

(1) The first position shall be the last digit of the year in which the shipment enters SIT (for example, if the shipment is placed in SIT during calendar year 1991, the first digit will be 1) .

(2) The second, third, and fourth positions shall contain the julian date for the day on which the shipment enters SIT for example, if the

shipment is placed in SIT on November 9, 1991, the second, third, and fourth digits will be 313.

(3) The last three digits shall indicate the numerical sequence of the shipments entering SIT for that day; (for example, if the shipment is the eleventh shipment placed in SIT on that day, the last three digits will be 011) .

(4) As described above, the SIT control number for the eleventh shipment placed in SIT on November 9, 1991, is 1313011.

h. Delivery Out of SIT.

(1) When ready to accept the shipment, the member shall contact the destination PPSO and request delivery to the destination residence. The PPSO shall instruct the carrier to make delivery on the date specified by the member.

(2) The carrier will prepare a DD Form 619 (Figure 5-4) for billing purposes. The DD Form 619 shall include all accessorial services incidental to the delivery of the shipment. The carrier will return the completed DD Form 619 to the second (final) destination PPSO. The (final) destination PPSO will verify and sign the form, keeping one copy in the permanent shipment file. If loss or damage is discovered in a shipment delivered from SIT, the member or member's agent shall record the loss/damage on DD Form 1840/1840R.

(3) Shipments that have been placed in containers for SIT at destination may be delivered to residence in the same containers.

* (4) The destination PPSO will order long deliveries out of SIT by preparing a "Certificate for Delivery from SIT" (see paragraph 5006.d (2) . A delivery address should be obtained by the destination PPSO before releasing any shipment out of destination SIT. (Absence of a delivery address, the Certificate of Delivery from SIT should include a statement indicating the number of SIT dates used and how many dates of SIT were authorized. The destination PPSO (first PPSO) as specified on the PPGBL, will send an information copy of the Certificate for Delivery from SIT to the origin PPSO to inform them of the new destination. The first destination PPSO is also responsible for ensuring that the newly established destination PPSO (second destination PPSO) receives a copy of the DD Form 2223 or 1780, and any other pertinent information, for final destination evaluation. The second destination PPSO will return the completed evaluation and other necessary forms, i.e. , DD Forms 2223, 1780, and 1840 to the origin PPSO within 45 days of shipment delivery. The carrier prepares the DD Form 619 as described in paragraph 6000. h. (2) above and must forward a copy of the DD Form 619, as well as the DD Form 1840/1840R, to the second (final) destination PPSO.

(5) - Requests for partial withdrawals" should be made at the time of counseling and indicated to the carrier or carrier's agent at the time of packing, when possible. Only complete cartons or item numbers on the inventory may be withdrawn. Individual cartons will not be opened. The inventory item number will be furnished by the member to the PPSO, who will in turn order the

service. Certification of the DD Form 619 by the destination PPSO is required. The member, member's agent or PPSO representative shall have the right to be present at the carrier's facility during the sorting of the property. The carrier will deliver; however, the member has the option to pick up the property from the warehouse. The carrier is responsible for obtaining the weight of the portion withdrawn in accordance with domestic and international solicitation procedures.

*i. Shortage of SIT Warehouse Space. When a critical shortage of SIT warehouse space is being experienced, the PPSO will notify HQMIMC. HQMIMC will disseminate this information to CONUS PPSOS. The PPSO must advise HQMIMC when shortage of SIT warehouse space no longer exists.

6001. Responsibilities for NIS.

a. MIMC Overseas Components and Overseas Commanders. Although NIS is restricted to warehouse facilities located within CONUS, overseas components and overseas commanders should develop contingency plans to use Government warehouses for storage in the event of civil unrest, national emergencies, etc.

b. MIMC Area Commanders. MIMC area commanders are responsible for the administration of the NIS program in their assigned geographic areas. The MIMC area commanders, through designated contracting officers at the RSMOs, shall:

(1) Conduct preaward surveys to ensure that NIS contracts are awarded only to qualified contractors. The qualifications of contractors shall be determined in accordance with the preaward survey guidelines and guidelines contained in the FAR.

(2) Execute, distribute, and administer the BOA and the Schedule of Services and Rates for Household Goods (DD Form 1162-1, Figure 6-1) in accordance with this regulation and the FAR.

(3) Monitor the weight stored in each approved warehouse, its subdivisions, or fire divisions.

(4) Perform contract administration of DD Forms 1164 (Figure 6-2) that have been placed against BOAs by ordering officers of using activities.

(5) Provide each contractor, in writing, the names and locations of using activities and the names of persons authorized to issue DD Forms 1164 under each BOA.

(6) Notify all recipients of the BOA when it is modified or terminated.

(7) Perform inspections of storage facilities to ensure that all services are provided in accordance with the provisions of the BOA.

(8) Investigate incidents impacting on the operation of the NTS program in accordance with this regulation.

(9) Conduct staff assistance visits during each inspection cycle at each ordering installation in their areas of responsibility. The purpose of such visits shall be to exchange information concerning the adequacy of service provided by each local contractor and to identify potential service problem. Such visits can assist the using activity to plan storage inspections more effectively by focusing upon potential problem areas.

(10) Release for public information current BOA contract rates when such information is requested specifically in writing. Written requests for the release of current rates shall be honored when the request specifically identifies a contractor by name and the BOA in question has been signed and accepted by the RSMO contracting officer. Unless the entire BOA is specifically requested, the release of such information shall be limited to the DD Form 1162-1 currently in effect on the date the written request is received.

c. Ordering Officers. Ordering officers shall:

(1) Acquire all required services for the storage of HHG in both Government and commercial facilities.

(2) Cite the appropriate funds for payment of the services ordered and process invoices for payment.

(3) Maintain on file all documents relating to each storage lot.

(4) Provide to the appropriate RSMO contracting officer copies of independently conducted SIT storage inspections (when such inspection is of a facility also approved for nontemporary storage) in which discrepancies are detected. Such reports alert RSMO contracting officers to potential storage problems involving collocated NTS lots.

(5) Perform inspections in connection with prestorage and poststorage services. When deficiencies are discovered that are not corrected immediately by the contractor, the RSMO contracting officer responsible for administering the BOA shall be notified. The suspension of contractors by using activities is not authorized. Ordering officers are encouraged to participate with RSMO contracting officers in joint inspections of local contractor storage facilities within their areas of responsibility, whenever practical.

(6) Serve as the point of contact for the member on all matters concerning the storage of HHG.

(7) Notify immediately the appropriate RSMO when the contractor is unable to locate a lot in storage.

(8) When the weight in storage is in excess of the JFTR allowance, the applicable military service guidelines or regulations shall be followed to recoup excess costs from the member.

(9) Terminate all NIS at Government expense for storage beyond the authorized storage period and advise the contractor to bill the member for future storage costs. If travel and transportation entitlements of retired members has been extended, authorize continued storage at Government expense. The member subsequently should reimburse the Government for storage costs.

d. Installation Commanders. Installation commanders are responsible for inspecting periodically all Government-owned storage facilities under their jurisdiction that are used for the storage of DOD-sponsored personal property shipments. Such inspections shall be performed under military service headquarters direction and shall be recorded on DD Form 1811 (Figure 2-2) and DD Form 1812 (Figure 2-3). Before approval by the installation commander, RSMO personnel shall conduct a liaison inspection of the Government-owned facilities to ensure that storage practices are the same as those required of private contractors under the BOA.

6002. **NIS Procedures - Contracting Officers.**

a. The Preaward Survey. The preaward survey (in accordance with the FAR and this regulation) is used to determine whether a prospective contractor is qualified to participate in the NIS program and whether the offered warehouse, including subdivisions and fire divisions, meets Government standards. Upon receipt of a contractor application to provide service, the responsible contracting officer shall conduct a preaward survey using the DD Form 1811 (Preaward Survey of Contractor/Carrier Facilities and Equipment). The DD forms are available through normal publications channels and shall be completed for each specific warehouse where HHG are to be stored. The responsible activity shall maintain the original copy, and the prospective carrier or contractor shall be provided a duplicate copy.

b. Executing, Administering, and Distributing the BOA.

(1) When the preaward survey has been completed and the contractor qualified and accepted, the contracting officer shall:

(a) Negotiate the DD Form 1162-1 with the contractor.

(b) Secure the contractor's signature on the original and two copies of the BOA for storage of HHG and related services, signifying the contractor's acceptance of the terms and conditions.

(c) Sign the original and two copies of the agreement on behalf of the Government.

(d) Distribute the agreement in accordance with the FAR and furnish sufficient copies to appropriate ordering officers.

(2) The contracting officer shall be responsible for the proper administration of each BOA, for issuing all required modifications, and for maintaining the agreement in accordance with the requirements of them. The

effective date of the agreement or amendments or modifications shall be the 1st day of the month.

*c. Rate Change Requests. All rate changes initiated by a contractor shall become effective on the 1st day of the month. Rate change requests submitted by contractors shall be postmarked no later than the 15th day of the 2nd month - before the rate change becomes effective. If the rate change request is delivered in person, it shall be received in the Contracting officer's office not later than the close of business of the 15th day of the 2nd month before the rate change becomes effective. For example, a rate change request postmarked or delivered between July 16 and August 15 shall become effective on October 1; between August 16 and September 15 shall become effective November 1.

d. Monitoring Weight in a NIS Facility. When a facility has been approved, the contracting officer shall determine whether it is physically possible for the facility to exceed the DOD fire classification weight limitation. For each facility in which the weight limitation may be exceeded, the contracting officer shall:

(1) Monitor the total weight stored in the facility from DD Form 1812 (Figure 2-3) provided by the RSMO inspector.

(2) When the facility is loaded to 75 percent of its designated weight limitation, maintain a running total of weight in the facility from data on the DD Form 1164 (Figure 1-9) .

(3) When the total weight stored reaches the facility's weight limitation, notify the contractor and appropriate ordering officers not to place further Government storage in the facility.

(4) Notify the contractor and appropriate ordering officers of the availability of the facility after sufficient weight has been removed to allow resumption of storage.

e. Contract Administration of DD Form 1164. DD Form 1164 will be reviewed using an appropriate sample from each using activity in accordance with effective random sampling procedures. Under unusual circumstances/conditions (Department of Justice investigations, complaints, excessive error, rates, etc.) , 100 percent review may be performed as determined appropriate. The contracting officer shall review DD Forms 1164 to:

(1) titer the weight of HHG stored in contractors' facilities in which the fire limitation may be exceeded.

(2) Ensure DD Forms 1164 are being issued in accordance with this regulation and the BOA.

(3) Ensure that the correct BOA number and amendment numbers, if applicable, which reflect rates applicable to the services acquired, are shown on each DD Form 1164.

(4) Ensure rates listed for the ordered services are correct. Upon completion of the administrative review, service order copies shall be distributed in accordance with current military service regulations.

f. Inspection of Contractor's Facilities and Services. The contracting officer shall inspect each contractor's facilities and services at least once every 4 months or more often if necessary. The purpose of these periodic inspections is to ensure that the contractor's facilities continue to meet the Government's standards and that all services are being performed in accordance with the BOA. A written report or record of all inspections shall be made on the DD Form 1812 and shall be made a part of the contract file. The following actions shall be taken once the results of the inspection are determined:

(1) "A" Rating . If no discrepancies are noted, one copy of the completed DD Form 1812 shall be provided to the contractor, one copy shall be provided to the responsible ordering officers, and one copy shall be placed in the contract file. No additional action is required until the next regularly scheduled inspection.

(2) "B" Rating. If deficiencies merit a quality control rating score of "B" (1-8 points) and are easily correctable, the contractor shall be requested to perform immediate corrective action. Copies of DD Form 1812 shall be distributed to the PPSO responsible for the storage facility, the contractor, and the RSMO.

(3) "C" Rating . If deficiencies earn a quality control rating score of "C" (9-16 points) and do not warrant declaring the contractor ineligible, copies of DD Form 1812 shall be furnished to the PPSO responsible for the facility. The contractor shall provide a detailed report of corrective action, authenticated by a company official, within 10 days after receipt of DD Form 1812. Contractors shall be monitored closely by the PPSO and RSMO for deterioration in quality of service. During the next regular inspection, if the contractor has reported correction falsely or repeats a violation, grounds will exist for placing the contractor in an ineligible status for an appropriate period of time. The MIMC area commander shall be advised of the action.

(4) "D" Rating . If deficiencies merit a quality control rating score of "D" (17 points and over) and warrant declaring the contractor ineligible for business, copies of the DD Form 1812 shall be furnished to the contractor, ordering activities having an applicable BOA, RSMO, and MIMC area commands. The contractor shall be placed in a temporary ineligible status by the contracting officer pending corrective action. The contractor shall explain action taken and provide a detailed report authenticated by a responsible company official. Upon receipt of the contractor's report, the facility shall be reinspected. If deficiencies have been corrected and positive action taken to prevent recurrence, the contractor shall be restored to eligibility.

(5) "E" Rating. A repeat violation of a serious deficiency or evidence of false reporting of corrective action shall merit a quality control rating score of "E" and shall be grounds for a continuation of ineligibility

for a period of time set by the contracting officer. If the contracting officer decides an "E" rating is not sufficient, a "stop notice" for future DOD business shall be issued, or termination for default shall follow.

g. Storage Difficulties. Ordering officers shall inform the appropriate contracting officers of existing or anticipated problems in obtaining storage space. Upon such notification, contracting officers shall provide appropriate assistance and:

(1) Determine requirements for changes, if appropriate, in existing qualification standards that would increase the capability of existing contractors without lowering the quality of service.

(2) Ensure that the using activities are not limiting the use of contractors to those located within their areas of responsibility.

*(3) Attempt to locate additional commercial storage facilities that will meet required Government standards. When located, the contracting officer shall conduct a preaward survey and, if the facility is qualified, negotiate and distribute the basic ordering agreement in accordance with paragraph 6002 .b., above.

(4) Attempt to locate additional Government -owned facilities suitable for storage of personal property.

6003. NIS Procedures - Ordering Officers.

a. General. The lowest cost, qualified storage facility available, regardless of its location, shall be used for NIS. When an ordering officer has BOAs available that offer facilities outside the installation's area of responsibility, awards will not be limited to facilities within the area of responsibility. Storage Facility Rates (Figure 6-3) shall be used to make a cost comparison when determining whether to use commercial or Government facilities.

b. Determining the Low-Cost Contractor. The ordering officer shall use items I, II, III, IV, V, and VI of the DD Form 1162-1 to determine the low-cost contractor. Item II shall be used only when upright wardrobe services are required. Item V, storage costs, will be projected over the estimated storage period for each lot.

c. Attempted Pickup or Delivery. If the member or member's agent is not available at the residence when the contractor attempts to pick up or deliver on the date specified on DD Form 1164, the contractor shall be paid the drayage rate per DD Form 1162-1 on a 500-pound minimum (minimum weight) shipment for attempted pickups and the actual shipment weight for attempted deliveries. Payment is subject to contracting officer approval.

d. Acquisition of Commercial Storage Services. Contractors shall be contacted in the order of their BOA rates (from lowest to highest) , even

though they may be located outside the installation's area of responsibility. The storage lot shall be offered to the first contractor that can perform the services at the time they are required. A contractor will not be contacted if written notice that services cannot be provided has been received from that contractor. When two or more contractors have equal rates, the ordering officer shall offer lots to those contractors on a fair and equitable basis. :- When other than the low-cost contractor is used, all copies of the DD Form 1164, except the copy furnished to the contractor, shall be annotated "Low-Cost Contractor Unable to Handle", and the ordering officers' contract file shall contain a list of the contractors refusing the lot with the reasons for refusal. When the estimated cost of services exceeds \$10,000, the contractor shall submit an Offer of Services for Household Goods Storage, DD Form 1163 (Figure 6-4) .

e. Member Preference for Contractor. Member's choice of contractor is prohibited unless the contractor-requested cost is the same or no more than the lowest qualified offeror. The rules governing the requirements of the Basic Ordering Agreement, Federal Acquisition Regulation, requires orders be issued to the lowest qualified offeror. The Government has no authority to enter into three-party contracts between itself, the NIS Contractor, and the member.

f. Service Order for Household Goods. DD Form 1164.

* (1) Upon the contractor's acceptance of the offer of a lot, the ordering officer shall prepare DD Form 1164 and request the contractor to provide a lot number. A separate DD Form 1164 will be prepared for each HHG lot. Service orders shall be executed only by ordering officers having specific authority to issue such orders. Orders for services shall be furnished to the contractor before the date on which the services are to be performed. DD Form 1164 is self-explanatory except for the following items:

(a) Block 3.b. - Federal Agency. Federal Agency identity. Enter two-character alpha code, i.e., DF (Department of Air Force), DA (Department of Army) .

(b) Block 3.c. - Appropriation Identity. Identifying code designation which is locally assigned by each activity.

(c) Block 3.d. - Lot Number. Enter the lot number furnished by the contractor.

(d) Block 3.i. - Estimated Storage Period. Enter approximate number of months storage contemplated. This varies from case-to-case depending on entitlement circumstances and applies to new accounts being placed in storage .

(e) Block 3.j. - Pick-up Date (YYMMDD). Enter the date on which the requested services are to begin. The date shall be entered from left to right as the last two digits of the year, the first three letters of the month, and the date of the month, i.e., 90 SEP30.

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(f) Block 4. - Services Ordered. Enter rates from the appropriate DD Form 1162-1 only for those services being authorized. Item VI, handling-out, which must be used in making cost comparisons, will not be included on the initial DD Form 1164. To facilitate subsequent ordering-out action, the applicable rate for handling-out, item VI, may be annotated on the copy retained in the storage file. When crating of HHG is required for safe transportation and storage, the remarks section, Block 6, shall be annotated to show approval granted by the ordering officer.

(g) Block 6 (Remark Section). - Firearms. When firearms are to be included in the storage lot, the statement "This NIS Lot Contains Firearms" will be annotated on the DD Form 1164.

(2) Distribution of DD Form 1164.

(a) Original copy shall be sent to the Accounting and Finance Office.

(b) One copy shall remain with the contractor and shall be annotated: "Duplicate Original. "

(c) One copy, indicating the actual weight and storage location, shall be provided to the-r or overseas Civilian Personnel Officer.

(d) One copy indicating the actual weight and storage location shall be provided to the responsible RSMO Contracting Officer within 5 working days of the date on which the actual weight is received from the contractor.

(e) One copy shall be provided to the PPSO.

(f) One copy shall be provided to the Uniform Service Finance Office.

(3) Supplemental Service Orders.

(a) Supplemental DD Forms 1164 shall be issued to authorize services such as renewal or removal of a lot in storage or annual renewal of the fiscal year fund citation for the following fiscal year for those lots remaining in storage after September 30. Renewals may be authorized by written notice to the contractor, such as manifest-type listings.

(b) when it is known prior to ordering services that part of a member's property will remain in storage while another part will be withdrawn within a short period of time, each part will be considered a separate lot; a separate DD Form 1164 shall be issued for each lot. When a member requests, and is entitled to, partial removal from a lot stored under a single DD Form 1164, a supplemental DD Form 1164 shall be issued for handling-out services to permit removal of the desired goods from the lot and for handling-in of that portion to be returned to storage.

g. Warehouse Receipts. Each lot of HHG stored in a commercial facility shall be covered by a separate, nonnegotiable warehouse receipt. The

contractor shall issue the warehouse receipt in the name of the member, in accordance with the terms of the BOA. The contractor shall mail or otherwise deliver the original and one copy of the warehouse receipt to the ordering officer. When the inventory is used as part of the warehouse receipt, a copy of the inventory may be attached to the original warehouse receipt. The use of a combination inventory-warehouse receipt form is acceptable if the document contains all of the information required by applicable laws and the BOA. When - a combination inventory-warehouse receipt is used, the original copy shall be furnished to the ordering officer and a legible copy retained by the contractor.

h. Storage Outside an Installation's Area of Responsibility. When a lot is placed in storage outside an installation's area of responsibility, the ordering officer placing the lot in storage shall retain the storage account and all paperwork until application for shipment is received.

i. Removal from NTS. Whenever a lot, or part of a lot, is to be removed from storage, the ordering officer shall sign and return the original warehouse receipt to the contractor, along with the DD Form 1164 specifying the services to be performed. A copy of the warehouse receipt shall be retained for the ordering officer's files. Whenever part of a lot is removed from storage and part is to remain, the ordering officer shall obtain a new or revised warehouse receipt from the contractor for that portion remaining in storage. The NTS contractor shall be given a minimum five (5) work days notice prior to release of shipment.

j. Removal When Storage is Outside the Installation's Area of Responsibility. When a lot is placed in storage outside an installation's area of responsibility, the ordering officer placing the lot in storage shall retain all paperwork and the storage account until the member's application for shipment is received. The ordering officer shall make telephonic arrangements with the contractor for release of the goods from storage. The member's application for shipment shall be forwarded to the PPSO having responsibility for the area in which the goods are stored. The gaining PPSO shall arrange for shipment of the goods and shall coordinate with the ordering officer, as required.

k. Local Delivery Reweigh Procedures. If a pattern of weight variance is detected in the weight of line-haul shipments moving out of a particular warehouse, the PPSO shall initiate local reweigh procedures.

(1) The ordering officer shall negotiate a rate with the storage contractor not to exceed the current rate factors of the GRT or MRT rate tender. When requesting local reweigh, cost comparisons shall be accomplished to ensure use of lowest rate or price available.

(2) Local delivery reweigh requests shall be annotated on the DD Form 1164. It is recommended the PPSO or the PPSO's representative witness the reweigh to support any collection action involved for either party. A witnessed reweigh will aid the RSMO contracting officer in the event of disputes as well as in monitoring performance.

(3) The ordering officer may request the contractor to use Government scales for local reweigh when available and when reweigh will not cause delay to the contractor. If the contractor is required to use Government scales and excess mileage is involved, the Government may be liable for an extra charge since the terms of the original agreement have been modified.

(4) One weight ticket is necessary when a lot is ordered out of NTS locally and when delivery is within the scope of the agreement. When there is a 200-pound variance (higher or lower), an additional weight ticket is required. This provision will not apply if weight discrepancies are due to missing items from a shipment that were a part of the weight at original pickup.

*1. Storage Difficulties. Before the normal shipping season, the ordering officer shall notify the RSMO contracting officer of any actual or anticipated problems in obtaining commercial storage space. An information copy of such notice shall be provided to the appropriate MIMC area command. Problems that cannot be resolved by the RSMO contracting officer shall be forwarded for resolution to Headquarters, MIMC, ATIN: MTOP-T-C.

m. Processing NTS for Personnel Assigned PCS Overseas and Notification of Member Pending Expiration of Entitlements and Conversion of Lots to Member's Expense.

(1) Upon receipt of an application for NTS, the PPSO shall enter the estimated storage entitlement expiration date on the DD Form 1299 in block 13 (Figure 1-2). This date shall be determined by adding the tour length to the reporting month cited in the orders. (Exception: General and flag officers have no set tour length, however, since 48 months is a common period of time for assignment, 48 months shall be added to the reporting month cited in the orders and entered in block 13 of the DD Form 1299).

(2) Not later than 45 days before the 1st day of the month when the NTS entitlement is due to expire, as noted in block 13 of the DD Form 1299, the PPSO shall notify the member by certified letter of the impending NTS entitlement expiration. (Exception: The military service headquarters concerned shall be contacted to determine the status of entitlement continuation for general and flag officer's lots). A suspense date shall be established for return of information and a suspense file maintained.

(3) The notification shall include:

- (a) Date storage entitlement will expire.
- (b) Suspense date for return of information.
- (c) Net weight of HHG in storage chargeable to member's JFTR weight allowance.
- (d) Storage company's name, address, service order number, and lot number.

(e) Statement that the member is to return the notice in the self-addressed envelope provided by the suspense date whether continued storage is required. The new PCS order, personnel action or extension document, copy of separation order, or letter explaining the member's status shall be enclosed. DOD civilian employees shall provide correspondence from their civilian personnel office containing the new fiscal year fund citation for continued storage. Include a statement that if the member fails to return the letter to the PPSO advising of his or her status before the date the NTS entitlement is due to expire, the Government's responsibility for control and payment for the NTS shall be terminated and the lot converted to a commercial account in the member's name at his or her expense. He or she shall then be responsible directly to the commercial contractor for storage costs.

(4) If the certified letter notice is not returned with appropriate notations by the established suspense date, the PPSO shall contact the applicable military service personnel locator office to make a final attempt to locate the member.

(5) When all notification and locator efforts have failed, the PPSO immediately shall take necessary steps, in accordance with military service regulations, to convert the lot to the member's or employee's expense.

6004. Loss and Damage in NTS.

a. General. This subsection prescribes procedures to be followed by contracting and ordering officers when incidents of loss or damage of stored HHG occur.

*b. Loss/Damage or Erroneous Shipments. If the contractor is unable to locate a lot or portion of a lot in storage, the PPSO/ordering officer shall notify the RSMO contracting officer who shall ensure the contractor is taking action to locate any missing items and collect information for contract interpretation which might be needed in the event of claims processing.

c. Missing Items. When missing items subsequently are found to be in the possession of the contractor, the contractor shall forward the items to the member by the mode of transportation selected by the ordering officer offering the least amount of delay. The contractor shall be responsible for any shipping charges in excess of the original cost had the delay not occurred.

d. Delivery of Wrong Items. If a contractor inadvertently ships or delivers wrong items, the contractor is liable for all excess costs associated with the return. The ordering officer shall select the mode of transportation offering the least amount of delay. Compensation to the contractor will not be more than the original cost.

e. Lost or Stolen Privately-Owned Firearms. If a POF is lost or stolen while under the control of the warehouse, the RSMO shall determine whether the firearm was stored in accordance with the preaward survey guidelines and whether the loss was due to negligence of the warehouse. The failure of a

contractor to report promptly a lost or stolen firearm shall result in the issuance of a cure notice by the RSMO contracting officer.

f. Contracting Officer's Procedures. Upon becoming aware of loss or damage to stored HHG due to fire, flood, or similar causes, the contracting officer, in coordination with the appropriate ordering officers, shall:

- (1) Arrange immediately for a joint inspection of the damage.
- (2) Direct the contractor to unpack and dry the goods, if necessary, and prepare a detailed report of loss or damage to each lot, by article or package, as listed on the warehouse receipt or inventory form.
- (3) Monitor closely the contractor's performance to ensure that :
 - (a) The contractor's responsibility is discharged properly.
 - (b) The property is protected from further loss or damage.
 - (c) The contractor maintains detailed records of all services performed and materials used that are to be paid for by the Government.
 - (d) The contractor promptly dries, cleans, and repacks all of the items that are handled during the rework process.
 - (e) The contractor's security measures will protect the goods from pilferage.
- (4) Request that the ordering officers engage a third party if the contractor does not have the capability to provide the required services.
- (5) Determine the contractor's liability under the terms of the BOA. All available means, including assistance from ordering officers and qualified organizations, shall be used in determining liability. The contracting officer shall prepare a report of each case in accordance with Chapter 10, paragraph 10004.c .

g. Ordering Officer's Procedures. Upon completion of the inspection of loss or damage, the ordering officers shall, as appropriate:

- (1) Direct the contractor to perform services such as laundering, drycleaning, and oiling finished surfaces, if such actions are required to prevent further damage to, or deterioration of, the affected goods. Reconditioning of property, such as recovering upholstered pieces and refinishing finished articles, may not be performed as part of the services to prevent further damage or deterioration.
- (2) Inform the contractor of the method to be used in determining the new weight of lots when items have been lost or destroyed. When the new weight has been determined, the ordering officer shall issue a Service order for Household Goods , DD Form 1164.

(3) Advise the member, in writing, of any loss or damage to the member's goods.

(4) Furnish the responsible RSMO contracting officer a copy of the report to the member.

(5) Obtain the consent of the member or the member's authorized agent before ordering the disposal of any damaged goods. Upon receipt of consent, the ordering officer shall direct the contractor in the disposal of irreparably damaged goods.

h. Payment for Services. The unpacking, drying, and cleaning of damaged goods and preparation of the report of loss or damage shall be performed by the contractor at no cost to the Government. All other services performed, such as drycleaning, laundering, repacking, and handling-in, when ordered by the ordering officer, shall be paid for by the Government at no cost to the contractor until ultimate liability for the loss or damage is determined. Payment for these services shall be made from the appropriation cited for payment of the storage charges.